

OFFICE OF THE DIRECTOR

DEPARTMENT OF MOTOR VEHICLES

P.O. BOX 932328

SACRAMENTO, CA 94232-3280

**TITLE 13: DEPARTMENT OF MOTOR VEHICLES****NOTICE IS HEREBY GIVEN**

The Department of Motor Vehicles (the department) proposes to adopt Sections 85.00, 85.02, 85.04, 85.06 and 85.08, in Chapter 1, Division 1, Article 2.3, of Title 13, California Code of Regulations, to implement the mandatory electronic insurance reporting program.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 P.M., fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested person or his or her duly authorized representative may submit written comments relevant to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 P.M. on *April 10, 2006*, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulations.

AUTHORITY AND REFERENCE

The department proposes to adopt the proposed action under the authority granted by Vehicle Code section 1651, in order to implement, interpret or make specific Sections 4000.38 and 16058 of the Vehicle Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code section 4000.38, as amended by SB 1500 (Chapter 920, Stats 2004), requires the department to suspend, cancel or revoke the registration of a vehicle under specified conditions when the department has not received evidence of financial responsibility for the vehicle, effective January 1, 2006.

Prior to suspending, canceling or revoking the registration, the department is required to provide the vehicle's registered owner with notice of its intent, and allow the registered owner a sufficient period of time to provide evidence of financial responsibility or establish that the vehicle is not being operated. Statute allows the department to determine a reinstatement fee based on cost sufficient to pay for the reissuance of the vehicle registration.

Vehicle Code section 16058, added by SB 1500, requires insurers to electronically report the insurance information. The regulations specify the standards for the transmittal and the time frames required to report the information to the department or its agent.

The department proposes to adopt Sections 85.00, 85.02, 85.04, 85.06 and 85.08, in Article 2.3 of Title 13 of the California Code of Regulations, to specify the requirements for electronic insurance reporting.

§85.00 Definitions. Section 85.00 would identify terms used within these regulations.

§85.02 Registration Suspension. Section 85.02 would clarify that the vehicle registration will be suspended rather than revoked or cancelled, and identify the time frames before the suspension would take effect.

§85.04 Alternative Procedure for Electronic Insurance Reporting. Section 85.04 would identify the various acceptable documents to reinstate vehicle registration.

§85.06 Registration Reinstatement. Section 85.06 would provide the procedure and the fee amount to reinstate a suspended vehicle registration.

§85.08 Insurance Company Reporting Requirements. Section 85.08 would inform the insurance companies of the format required to electronically interface with the department or its agent and the frequency to report to the department or its agent.

DOCUMENTS INCORPORATED BY REFERENCE

There are no documents to be incorporated by reference for this regulatory action.

FISCAL IMPACT STATEMENT

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. [Any costs that would be incurred would be the result of noncompliance with California's financial responsibility laws. Insurance companies are statutorily mandated to provide information on insurance policies subject to Vehicle Code section 16058 and provide that information electronically.](#)
- Effect on Housing Costs: None.

DETERMINATIONS

The department has made the following initial determinations concerning the proposed regulatory action:

- The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. No studies or data were relied upon in support of this proposal.
- The adoption of this regulatory action will neither create nor eliminate jobs or create businesses in the state of California, will not result in the elimination of existing businesses, and will not reduce or expand businesses currently doing business in the state of California.
- The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- The proposed regulatory action will not affect small businesses because the proposed regulatory action [clarifies the requirements of Vehicle Code sections 4000.38 and 16058. Compliance with financial responsibility laws has been a long-standing requirement in California.](#)

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

CONTACT PERSON

Inquiries relevant to the proposed action and questions on the substance of the proposed regulations should be directed to the department representative, Christie Patrick, Department of Motor Vehicles, P.O. Box 932382, Mail Station E-244, Sacramento, California 94232-3820; telephone number (916) 657-5567, or cpatrick@dmv.ca.gov. In the absence of the department representative, inquiries may be directed to the Regulations Coordinator, Deborah Baity, at (916) 657-5690 or email dbaity@dmv.ca.gov. The fax number for the Regulations Branch is (916) 657-1204. When submitting comments by email, the subject line should read "Comments on the Electronic Insurance Reporting Program Regulations".

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an initial statement of reasons for the proposed action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the express terms of the proposed action using underline or italics to indicate additions to, and strikeout to indicate deletions from, the California Code of Regulations. The contact person identified in this notice shall also make available to the public upon request the final statement of reasons and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (the Notice of Proposed Regulatory Action, the Initial Statement of Reasons and Express Terms) may be accessed at www.dmv.ca.gov/about/lad/regactions.htm.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the fully modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations. Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.